

Convertible Note Deed

Renegen Limited (ABN 93 998 352 675)

Incorporated in the Republic of South Africa (registration number 2014/195093/06)

and

Tetra4 Proprietary Limited

Incorporated in the Republic of South Africa (registration number 2005/012157/07)

Execution version



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Date: 2018

Parties

Company	Name	Renergen Limited
	ABN	93 998 352 675
	Registration number	2014/195093/06
	Address	1 st Floor, 1 Bompas Road, Dunkeld, Gauteng, 2196
	Email	stefano@renergen.co.za
	Attention	Stefano Marani
Guarantor	Name	Tetra4 Proprietary Limited
	Registration number	2005/012157/07
	Address	1 st Floor, 1 Bompas Road, Dunkeld, Gauteng, 2196
	Email	stefano@renergen.co.za
	Attention	Stefano Marani

Background

- (A) The Company proposes to issue up to 10,000 Notes each with a Face Value of A\$1,000.00 in accordance with the terms of this deed. The Notes will be issued in two tranches.
- (B) The Company proposes to offer the opportunity to certain investors to subscribe for the Notes, on and subject to the terms and conditions set out in this deed and the relevant Subscription Agreement.
- (C) The Guarantor gives a guarantee and indemnity in respect of the Guaranteed Moneys on the terms of this deed.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed, unless context indicates a contrary intention:

Accounting Standards means accounting standards in accordance with International Financial Reporting Standards and the requirements of:

- (a) the Companies Act 71 of 2008 as amended;
- (b) the JSE Listing Requirements;
- (c) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; and
- (d) the financial reporting pronouncements as issued by the Financial Reporting Standards Council;

Authorisation means:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a Government Agency or any Law; and
- (b) in relation to anything which will be fully or partly prohibited or restricted by Law if a Government Agency intervenes or acts in any way within a specified period, the expiry of that period without intervention or action;

Board means the board of directors of the Company;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Sydney, New South Wales, Australia and in Johannesburg, Republic of South Africa;

Conditions means the terms and conditions of the Notes as set out in Schedule 1;

Corporations Act means *Corporations Act 2001* (Cth);

Distribution means:

- (a) any dividend, distribution or other amount of money or assets (whether as fees, profits or interest or by way of a redemption, repayment or return of capital) in respect of any Marketable Securities in or issued by an Obligor or its related bodies; and
- (e) any other amount (including management fees) paid or payable by an Obligor to the holder of any Marketable Securities in an Obligor or its related bodies

Environment means components of the earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) any organic or inorganic matter and any living organism; and
- (d) human-made or modified structures and areas,

and includes interacting natural ecosystems that include components referred to in paragraphs (a) to (d);

Environmental Law means a Law (including a determination of any Government Agency) relating to the Environment, including in relation to land use, planning, pollution of air or water, soil or ground water, contamination, chemicals, waste, use of dangerous goods or in relation to any other aspect of protection of the Environment, person or property;

Existing Facility means the ZAR 218 million loan facility from the Existing Financier to the Company for the construction of infrastructure relating to the 'Virginia Gas Project';

Existing Financier means the Industrial Development Corporation of South Africa;

Face Value means A\$1,000.00 per Note;

Finance Debt means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or financial institutions;
- (b) any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;

- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) consideration for the acquisition of assets or services payable more than 90 days after acquisition;
- (h) any Hedge Transaction (and, when calculating the value of that Hedge Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Hedge Transaction, that amount) will be taken into account);
- (i) any counter-indemnity obligation in respect of a Guarantee issued by a bank or financial institution;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing; and
- (k) the amount of any liability in respect of any Guarantee for any of the items referred to in paragraphs (a) to (j);

Finance Lease means any Lease, a liability under which would, in accordance with the Accounting Standards, be treated as a balance sheet liability;

Government Agency means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local;

Government Requirement means, in respect of any central bank, prudential supervisory authority or other Government Agency, any official directive, order, treaty, official policy, ruling, guideline, requirement or request, including any with which (if not having the force of Law) responsible banks or financial institutions in the applicable jurisdiction would customarily comply;

Group means the Company and each Guarantor;

GST Act means *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

GST Law has the same meaning as in the GST Act;

GST means goods and services tax under the GST Law;

Guarantee means (other than the Guarantee and Indemnity) a guarantee, indemnity, letter of credit, performance bond, legally binding letter of comfort, suretyship or other undertaking or obligation (whether conditional or unconditional) to:

- (a) do any one or more of the following in respect of an obligation of another person (whether or not it involves the payment of money):

- (i) provide funds (including by the purchase of property), or otherwise make property available, in or towards payment or discharge of that obligation; or
- (ii) indemnify against the consequences of default in the payment or performance of that obligation;
- (b) be responsible in any other way for that obligation; or
- (c) be responsible for the solvency or financial condition of another person;

Guarantee and Indemnity means the guarantee and indemnity given by the Guarantor in accordance with clause 4 and the terms at Schedule 3;

Guaranteed Moneys means all debts and monetary liabilities of the Obligors to the Noteholders on any account and in any capacity, irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred by or on account of an Obligor alone or severally or jointly with any other person and whether as principal or surety;
- (e) are owed to or incurred for the account of the Noteholders alone or severally or jointly with any other person and whether as principal or surety;
- (f) are owed to any other person as agent (whether disclosed or not) for or on behalf of the Noteholders;
- (g) are owed or incurred as principal, interest, fees, charges, tax, damages (whether for breach of contract or tort or incurred on any other ground and whether liquidated or unliquidated), losses, costs or expenses, or on any other account;
- (h) are owed to or incurred for the account of the Noteholders directly or as a result of the assignment or transfer to the Noteholders of any debt or liability of an Obligor (whether by way of assignment, transfer or otherwise) or any other dealing with any such debt or liability;
- (i) are owed to or incurred for the account of the Noteholders before the date of this deed or before the date of any assignment or novation of this deed to the Noteholders by any other person or otherwise; or
- (j) comprise any combination of the above;

Hedge Transaction means any derivative, swap, forward contract, futures contract, financial option or other hedging or risk management transaction;

Initial Noteholder means Gleneagle Securities Nominees Pty Ltd (ACN 150 259 877) of Level 27, 25 Bligh Street, Sydney NSW 2000;

Intellectual Property means all present and future intellectual and industrial property rights conferred by Law and wherever existing, including:

- (a) patents, inventions, designs, copyright, trademarks, brand names, product names, domain names, rights in circuit layouts, plant breeder's rights, know how, trade secrets and any other rights subsisting in the results of intellectual effort in any field, whether or not registered or capable of registration;

- (b) any application or right to apply for registration of any of these rights; and
- (c) any registration of any of those rights or any registration of any application referred to in paragraph (b);

Issue Date means:

- (a) in respect of the Tranche A Notes, within 2 weeks of the Company receiving the Subscription Request from the Initial Noteholder;
- (b) in respect of the Tranche B Notes, within 2 weeks of the Company receiving Subscription Requests from investors who wish to subscribe for Tranche B Notes (which is targeted to be 18 January 2019 or such other date as may be agreed by the parties);

Law includes:

- (a) any statute, regulation, rule, by-law, ordinance, proclamation, judgement, treaty, decree, convention, rule or principle of common law or equity, rule of any applicable stock exchange, or requirement or approval (including any Government Agency);
- (b) any regulation, rule, by-law, ordinance, proclamation or judgement made under that law; and
- (c) that law as amended, consolidated, supplemented, re-enacted or replaced;

Lease means:

- (a) any arrangement or agreement under which property is or may be used, occupied, managed or operated by a person other than the owner, including any lease, sublease, charter, licence, hire purchase or hiring arrangement (including a right to use intellectual property or a franchise); and
- (b) any agreement to enter into, grant, extend or renew any of the arrangements referred to in paragraph (a);

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred;

Marketable Securities means:

- (a) debentures, stocks, shares, bonds, negotiable instruments;
- (b) a unit or other interest in a trust or partnership;
- (c) a convertible note or bond; and
- (d) a right or an option in respect of any Marketable Security referred to in paragraphs (a) to (c), whether issued or unissued;

Material Adverse Effect means a material adverse effect on (or, in the Financier's opinion, a materially adverse effect on):

- (a) the ability of an Obligor to perform its obligations under a Note Document;
- (b) the validity or enforceability of a Note Document or a Power;
- (c) the effectiveness or intended priority of any Security or the value or marketability of any Secured Property; or

- (d) the business, operations, property, condition (financial or otherwise) or prospects of an Obligor,

Material Authorisations means any Authorisation material to the conduct of an Obligor's business;

Note Documents means:

- (a) this deed;
- (b) the Tranche A Subscription Agreement;
- (c) the Tranche B Subscription Agreement;
- (d) each Subscription Request;
- (e) any document which the Company and the Noteholders agree is a "Note Document"; and
- (f) any document or agreement entered into or given under or in connection with, or for the purpose of amending, supplementing or novating, any document or agreement referred to in any paragraph above;

Noteholder means each person who from time to time holds Notes (and may include the Initial Noteholder);

Noteholder Special Decision means a decision consented to in writing by those Noteholders holding more than 50% of the Notes by value;

Note Register means a register of Noteholders and Notes maintained by the Company in the form set out at Schedule 2;

Notes means each of the Tranche A Notes and the Tranche B Notes that have been issued;

Obligors means the Company and the Guarantor;

Permitted Disposal means any sale, lease, transfer, assignment or other disposal by an Obligor which, except in the case of paragraph (b) and (e), is on arm's length terms:

- (a) of trading stock or cash made by an Obligor in the ordinary course of its trading activities which is not prohibited by the terms of any Security;
- (b) of any asset by an Obligor to another Obligor;
- (c) of assets (other than real property, Intellectual Property or Marketable Securities) in exchange for other assets comparable or superior as to type, value and quality;
- (d) of obsolete or worn out plant and equipment for cash; or
- (e) to which the Noteholders consent in writing;

Permitted Finance Debt means any Finance Debt:

- (a) incurred under the Existing Facility;
- (b) incurred under a Note Document;
- (c) owed to trade creditors on account of services provided to an Obligor in the ordinary course of business;

(d) incurred under a finance lease, hire purchase or similar facilities in the ordinary course of business of an Obligor where the lessor may only have recourse to the assets leased; or

(e) to which consent by a Noteholder Special Decision is obtained;

Power means any right, power, authority, discretion or remedy conferred on a Noteholder, a Receiver or an Attorney by any Note Document or any applicable Law;

SARB means the South African Reserve Bank;

Security Interest means:

(a) any security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

(b) anything or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset; and

(c) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in any paragraph above;

Shareholder means the holders of Underlying Securities;

Subscription Agreement means the Tranche A Subscription Agreement or the Tranche B Subscription Agreement;

Subscription Request has the meaning given in the Tranche A Subscription Agreement or the Tranche B Subscription Agreement (as relevant);

Tranche A Notes means 500 convertible notes to be issued by the Company pursuant to this deed and on the Conditions;

Tranche B Notes means up to 9,500 convertible notes to be issued by the Company pursuant to this deed and on the Conditions;

Tranche A Subscription Agreement means the agreement dated on or around the date of this deed between the Obligors and the Initial Noteholder;

Tranche B Subscription Agreement means an agreement on substantively the same terms as the Tranche A Subscription Agreement in respect of the issue and subscription of the Tranche B Notes to be entered into on or before the relevant Issue Date between the Obligors and certain investors who wish to subscribe for Tranche B Notes; and

Underlying Securities means in respect of the Company:

(a) the ordinary fully paid shares listed on the JSE AltX; and

(b) the ordinary fully paid shares listed or to be listed on the ASX.

1.2 Interpretation

(a) In this deed, unless context indicates a contrary intention:

(i) **(documents)** a reference to this deed or another document includes any document which varies, supplements, replaces, assigns or novates this deed or that other document;

- (ii) **(person)** a reference to a person includes a natural person, corporation, statutory corporation, partnership and any other organisation or legal entity and their personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns;
 - (iii) **(party)** a reference to a party to a document includes that party's personal representatives, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
 - (iv) **(corresponding meanings)** a word that is derived from a defined word has a corresponding meaning;
 - (v) **(singular)** the singular includes the plural and vice-versa;
 - (vi) **(gender)** words importing one gender include all other genders;
 - (vii) **(legislation)** a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it;
 - (viii) **(time and date)** a reference to a time or date in connection with the performance of an obligation by a party is a reference to the time and date in New South Wales, Australia, even if the obligation is to be performed elsewhere;
 - (ix) **(writing)** a reference to a notice, consent, request, approval or other communication under this deed or an agreement between the parties means a written notice, request, consent, approval or agreement;
 - (x) **(replacement bodies)** a reference to a body (including an institute, association or Authority) which ceases to exist or whose powers or functions are transferred to another body is a reference to the body which replaces it or which substantially succeeds to its power or functions;
 - (xi) **(Australian currency)** a reference to dollars, AUD, A\$ or \$ is to Australian currency;
 - (xii) **(South African currency)** a reference to ZAR is a reference to the currency of the Republic of South Africa;
 - (xiii) **(month)** a reference to a month is a reference to a calendar month; and
 - (xiv) **(year)** a reference to a year is a reference to twelve consecutive calendar months.
- (b) In this deed:
- (i) **(headings)** headings, subheadings and the table of contents are inserted for convenience only and do not affect interpretation of this deed;
 - (ii) **(including)** "including", "includes" and "for example" are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind; and
 - (iii) **(rules of construction)** neither this deed nor any part of it is to be construed against a party on the basis that the party or its lawyers were responsible for its drafting.

2. Issue of Notes

2.1 Issue of and subscription for Notes

- (a) The Company agrees to issue up to \$10,000,000 worth of Notes in the following tranches:
 - (i) 500 Tranche A Notes which will be issued to the Initial Noteholder on the relevant Issue Date; and
 - (ii) up to 9,500 Tranche B Notes which will be issued to the Noteholders on the relevant Issue Date,subject to, and in accordance with, the terms of the relevant Subscription Agreement.
- (b) The Company issues a Note for the purposes of this deed and the relevant Subscription Agreement by inscribing or entering the details of the Noteholder in the Note Register. No note certificate will be issued by the Company to a Noteholder to evidence the Note.
- (c) The Notes:
 - (i) will each have a face value equal to the Face Value;
 - (ii) will be guaranteed by the Guarantor in accordance with the terms of the Guarantee and Indemnity; and
 - (iii) are subject to the provisions of this deed (including the Conditions).
- (d) The obligations of the Company and the Guarantor under the Notes are constituted by, and specified in, this deed.

2.2 Not conditional on Tranche A Notes

The parties acknowledge and agree that the issue of the Tranche B Notes is not conditional on the issue of the Tranche A Notes.

3. Representations and warranties

3.1 The Obligors' representations

Each Obligor represents and warrants to each Noteholder that as at the date of this deed and until either all of the Guaranteed Moneys have been irrevocably paid in full or the conversion of the Notes:

- (a) **(corporate status)** the Obligor is a corporation duly incorporation and validly existing under the law of the country or jurisdiction of its incorporation or registration;
- (b) **(corporate powers)** the Obligor has full corporate power to perform its obligations as contemplated by this deed and the Note Documents;
- (c) **(SARB approval)** the Obligors have obtained all necessary approvals to the transactions contemplated by this deed (including the Tranche A Notes and the Conditions), including the approval of the Financial Surveillance Department of the SARB;

- (d) **(corporate consents)** the Obligor has procured any corporate consent for the execution and performance of this deed and the Note Documents in compliance with its provisions; and
 - (e) **(validity)** this deed and the Note Documents constitute valid and enforceable legal liabilities the Obligor in accordance with its provisions.
-

4. Guarantee and Indemnity

The Guarantor acknowledges entering into this deed and agreeing to provide the Guarantee and Indemnity in accordance with the terms of Schedule 3 of this deed in consideration for the Company agreeing to issue the Notes and for other valuable consideration received from the Company.

5. General undertakings

5.1 Duration of undertakings

Unless otherwise approved by a Noteholder Special Decision, the undertakings in this clause 5 remain in full force and effect from the date of this deed and until all of the earlier of the date on which the Guaranteed Moneys have been irrevocably paid in full or the conversion of the Notes.

5.2 Transaction undertakings

Each Obligor must:

- (a) **(obligations)** comply with its obligations under each Note Document; and
- (b) **(undertakings)** ensure that each undertaking given by it or its lawyers or another person on its behalf to the Noteholders in connection with a Note Document is complied with.

5.3 Positive undertakings

Each Obligor must:

- (a) **(corporate existence)** maintain its corporate existence and its registration in the place of its registration as at the date of this document;
- (b) **(business)** carry on its business in a proper and efficient way and prudently in accordance with good industry practice;
- (c) **(Laws)** comply in all respects with all Laws (including Environmental Laws) and Government Requirements to which it may be subject where failure to do so would have or be likely to have a Material Adverse Effect;
- (d) **(Material Authorisations)** obtain, renew and maintain, pay applicable fees for, comply with all Material Authorisations;
- (e) **(proper accounts)** keep proper books of account that give a true and fair view of its financial condition and state of affairs;
- (f) **(coverage)** insure and keep insured its assets:
 - (i) for amounts and against risks which a person holding assets and carrying on a business similar to it would prudently take out insurance, including against



damage, destruction and any other risk to their full replacement value or on a reinstatement basis and against workers' compensation, public liability and business interruption; and

- (ii) against other risks and for the amounts which the Financier may reasonably require from time to time.

5.4 Negative pledge

An Obligor must not incur any Finance Debt that is not Permitted Finance Debt.

5.5 Negative business undertakings

An Obligor must not:

- (a) **(Material Authorisations)** do anything which would prevent the renewal of any Material Authorisation or cause it to be renewed on less favourable terms;
- (b) **(acquisitions)** acquire an interest in a business or entity;
- (c) **(credit)** lend, grant any credit or provide any other financial accommodation (or give any guarantee in respect of any financial accommodation) to or for the benefit of any person other than the Guarantee and Indemnity;
- (d) **(arm's length transactions)** enter into any transaction other than on arm's length terms in the ordinary course of its business and for valuable commercial consideration;
- (e) **(Distributions)** declare, pay or make a Distribution, with the exception of a Distribution payable from a subsidiary of the Company to the Company; and
- (f) **(maintenance of capital)**:
 - (i) reduce or pass a resolution to reduce its capital;
 - (ii) buy-back or pass a resolution to buy-back any of its shares;
 - (iii) release or pass a resolution to allow it to release any person from any liability in respect of any uncalled capital or other amount that is or may become payable in respect of its Marketable Securities; or
 - (iv) take or attempt to take any steps to do anything referred to in this clause 5.5

5.6 Reserve matters

From the date of this deed until the earlier of the date on which the Guaranteed Moneys have been irrevocably paid in full or conversion of the Notes, an Obligor must obtain the prior approval of the Noteholders in relation to:

- (a) **(voluntary winding up)** the voluntary winding up of an Obligor, any member of the Company, or Guarantor, including any proposed resolution for its winding-up, official management, placement of its business under business rescue or supervision, appointment of a business rescue practitioner or liquidation (including pursuant to a consolidation, amalgamation or merger);
- (b) **(constituent documents)** a change to its constituent documents in any way that could be adverse to the rights or interests of the Noteholders under the Note Documents;

- (c) **(merger or demerger)** any merger or consolidation with another entity or entry into any scheme of arrangement whereby its assets or liabilities are to vest in or be assumed by another entity or entry into or effect a demerger with any person; or
 - (d) **(disposals)** a decision to sell, assign, transfer or otherwise dispose of, or cease to hold, or part with possession of, create an interest in, any of its assets (including Intellectual Property) other than under a Permitted Disposal.
-

6. Waiver of pre-emptive rights

The Company must procure that any entities or persons that become new Shareholders after the date of this deed and before all Notes are converted or redeemed must immediately waive any rights in respect of any Underlying Securities issued on conversion of the Notes (including, without limitation, any pre-emptive rights or any contractual rights) in its favour.

7. Rights of Noteholders

This deed is executed as a deed poll. Each Obligor acknowledges and confirms in favour of each Noteholder that the obligations imposed on the Obligor under this deed in relation to the Notes are owed to and are for the benefit of each Noteholder from time to time so that the Noteholder has the benefit of, and may enforce, this deed against the Obligor even though it is not party to, or is not in existence at the time of execution and delivery of, this deed.

8. GST

8.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the GST Amount). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. If a tax invoice is not received prior to the provision of that other consideration, the GST Amount is payable within 10 days of the receipt of a tax invoice. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

8.2 Liability Net of GST

Where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability, it will be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

8.3 Adjustment Events

If an adjustment event occurs in relation to a supply made under or in connection with this deed, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

8.4 Survival

This clause will not merge upon the issue of the Notes and will continue to apply after expiration or termination of this deed.



8.5 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST Law (as defined in the GST Act) have the same meaning in this clause.

9. General

9.1 Non-avoidance of payments

If any payment or transaction in connection with this deed or the Guaranteed Moneys is at any time claimed to be void, voidable or unenforceable for any reason, including any legal limitation, disability or incapacity of or affecting an Obligor or any other thing and whether or not:

(a) any payment or transaction relating to the Guaranteed Moneys was illegal, void or substantially avoided; or

(b) anything was or ought to have been within the knowledge of the Noteholders,

and that claim is upheld, conceded or compromised, then each Obligor:

(c) must, within 3 Business Days of demand by the Noteholders, indemnify the Noteholders against any Loss arising as a result of or in connection with the avoided payment or transaction;

(d) acknowledges that any liability of that Obligor under the Note Documents and any right, power, authority, discretion or remedy conferred on the Noteholders is the same as if the avoided payment or transaction had not been made or occurred; and

(e) on request from the Noteholders, agrees to do anything (including signing any document) to restore to the Noteholders any Note Documents it held from the Obligor immediately before the avoided payment or transaction.

9.2 Costs and expenses

The Company shall bear the costs and expenses of and incidental to the preparation, negotiation and execution of this deed and the issue of the Notes.

9.3 Governing Law

(a) The laws of New South Wales in Australia govern this deed.

(b) The Obligors irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of New South Wales or the courts of the Commonwealth of Australia.

9.4 Waiver

(a) No waiver of a right or remedy under this deed is effective unless it is in writing. A written waiver is only effective in the specific instance and for the specific purpose for which it is granted.

(b) Failure to exercise or a delay in exercising a right or remedy under this deed does not operate as a waiver.

9.5 Cumulative rights

Except as expressly provided for in this deed, the rights of the Obligor or the Noteholders under or pursuant to this deed are in addition to and do not exclude or limit any other rights or remedies provided by Law.

9.6 Severability

Any term of this deed which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this deed is not affected.

9.7 Further Assurances

Except as expressly provided in this deed, each Obligor will, at its own expense, do all things reasonably necessary (including executing documents) to give full effect to this deed and the matters contemplated by it.

9.8 Assignment

- (a) An Obligor may not assign, transfer or in any other manner deal with its rights under this deed without approval by a Noteholder Special Decision.
- (b) Any purported assignment, transfer or dealing in contravention of clause 9.8(a) is ineffective.

9.9 Entire agreement

This deed constitutes the entire agreement between the parties about its subject matter and supersedes all previous communications, representations, understandings or agreements between the parties on the subject matter (including, but not limited to any term sheet or investor presentation distributed by an Obligor to the Noteholder regarding the issue of the Notes prior to entry into this deed).

9.10 Survival and Merger

No term of this deed merges on completion of any transaction contemplated by this deed.

EXECUTED as a deed.



Schedule 1 – Terms and Conditions

1. Definitions and interpretation

1.1 Definitions

Capitalised terms in these Conditions have the meaning set out in the Convertible Note Deed, unless otherwise defined below:

ASX means the Australian Securities Exchange;

ASX Settlement Operating Rules means the operating rules, from time to time, of ASX Settlement Pty Ltd ACN 008 504 532;

Attorney means an attorney appointed under a Note Document;

Authorised Person means in relation to a party:

- (a) the directors, secretary and any other person appointed to act as an authorised officer of that party;
- (b) the employees of that party;
- (c) the legal, financial and other advisers of that party; and
- (d) the respective officers and employees of those legal, financial and other advisers;

Board means the board of directors of the Company;

Capitalised Coupon Rate means 10% per annum;

Cash Coupon Rate means 5% per annum;

CHESS Depositary Interest means a security interest as defined in the ASX Settlement Operating Rules;

Confidential Information means all Information disclosed to or acquired by the Receiving Party or the Receiving Party's Authorised Persons before or after the date of this deed, whether orally, in writing or in electronic or machine readable form but does not include Information that:

- (a) the Receiving Party can prove by contemporaneous written documentation was in the lawful possession of the Receiving Party before the Disclosing Party had any dealings with the Receiving Party or was independently generated by the Receiving Party or on its behalf;
- (b) is in the public domain otherwise than as a result of a breach of this deed or any other obligation of confidentiality owed to the Disclosing Party; or
- (c) was legally and properly obtained by the Receiving Party from any other source without restriction on further disclosure;

Control means, in respect of an entity, the power to directly or indirectly direct the management or policies of the entity or control the membership or voting of the board of directors or other governing body of the entity (whether or not the power has the force of Law or arises by operation of Law or by means of trusts, agreements, arrangements, understandings, practices, the ownership of any interest in marketable securities or otherwise);

- Conversion Date** means the date on which a Note is to be converted to Underlying Securities in accordance with these Conditions;
- Convertible Note Deed** means the Convertible Note Deed entered into by the Obligors;
- Coupon** means the cash coupon payable in accordance with condition 4.1;
- Coupon Payment Date** means, in respect of a Note, the last Business Day within each Coupon Period for that Note;
- Coupon Period** means, in respect of a Note, each successive 3 month period beginning on and including Issue Date for that Note and ending on but excluding the date falling 3 months later (or, if the Maturity Date is within that 3 month period, ending on the Maturity Date);
- Disclosing Party** means a party who discloses its Confidential Information to the Receiving Party;
- Event of Default** means an event or circumstance described in Condition 9.1;
- Existing Facility** means ZAR 218 million loan facility from the Existing Financier to the Company for the construction of infrastructure relating to the 'Virginia Gas Project';
- Existing Financier** means the Industrial Development Corporation of South Africa;
- Financial Year** means the annual accounting period of the Group ending on 28 February in each year;
- Historical Exchange Rate** means the ZAR:AUD exchange rate as at 1 October 2018;
- Insolvency Event** means the occurrence of any one or more of the following events in relation to any person:
- (a) an application is made to a court for an order that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 21 days of being made;
 - (b) a liquidator or provisional liquidator is appointed;
 - (c) an administrator or a controller is appointed to any of its assets;
 - (d) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, other than in the ordinary course of ordinary business;
 - (e) it proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
 - (f) it is insolvent as disclosed in its accounts, or otherwise states that it is insolvent, or it is presumed to be insolvent under an applicable Law;
 - (g) it becomes an insolvent under administration or action is taken which could result in that event;
 - (h) it is taken to have failed to comply with a statutory demand as a result of section 459F(1) of the Corporations Act;
 - (i) a notice is issued under sections 601AA or 601AB of the Corporations Act;

- (j) a writ of execution is levied against it or a material part of its property; or
- (k) it has instituted or has instituted against it, by a regulator, supervisor or similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (l) it has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights including for the placement of it under business rescue, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (k) above and is not dismissed, discharged, stayed or restrained in each case within 21 days of the institution or presentation thereof;
- (m) it has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, disregarded, stayed or retrained, in each case within 30 (thirty) days thereafter;
- (n) it is subject to Chapter 6 of the Companies Act, No 71 of 2008;
- (o) it is subject to the Insolvency Act, 24 of 1936;
- (p) it causes or anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the above clauses of this definition, or the person takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

IPO means an initial public offering of Underlying Securities made under a prospectus that states that the Company has or will apply, in conjunction with the offering, for quotation of the Underlying Securities on the ASX;

Issue Date has the meaning given in the Convertible Note Deed;

JSE AltX means the Johannesburg AltX Securities Exchange;

Listing Date means the date on which the Underlying Securities of the Company are quoted on the ASX;

Listing Price means the price of the Underlying Securities of the Company as at the Listing Date or the Conversion Date;

Loss means any loss, damage, liability, cost, charge, expense, payment, penalty, compensation, fine or outgoing suffered (including consequentially), paid or incurred, including under or in respect of any action or claim;

Maturity Date means:

- (a) in respect of the Tranche A Notes, the date that falls 18 months after payment of the Face Value of the Tranche A Notes; and

- (b) in respect of the Tranche B Notes, the date that falls 18 months after payment of the Face Value of the Tranche B Notes.

Noteholder means each person who from time to time holds Notes (and may include the Initial Noteholder);

Obligor means the Company and the Guarantor;

Outstanding Amount means, in respect of a Note:

- (a) the Face Value of the Note; plus
- (b) any coupon or interest in respect of the Note which has been capitalised under this deed;

Permitted Security Interest means:

- (a) a security interest created under a Note Document or in respect of the Existing Facility;
- (b) a lien that arises by operation of law in the ordinary course of ordinary business, where the amount secured is not overdue or is being diligently contested in good faith and where the corresponding Obligor has made adequate reserves for the payment of such amount; or
- (c) any banker's lien or right of set-off or combination arising by operation of law over any money deposited by an Obligor with its transaction bank;

Power means any right, power, authority, discretion or remedy conferred on a Noteholder, a Receiver or an Attorney by any Note Document or any applicable Law;

Quarter means each period of approximately 13 weeks ending on the last day of September, December, March and June in a Financial Year;

Receiver means a receiver or receiver and manager appointed under a Security;

Receiving Party means a party who receives the Confidential Information from or on behalf of the Disclosing Party;

Share Sale the completion of an offer by any person or persons to acquire all of the Underlying Securities.

Shareholders means the holders of Underlying Securities; and

Trade Sale the completion of the sale of all, or substantially all, of the business and assets of the Trust;

Underlying Securities means:

- (a) the ordinary fully paid shares of the Company; and
- (b) (if relevant) the CHESS Depositary Interest reflecting the value of the ordinary fully paid shares of the Company quoted on the ASX.

1.2 Interpretation

In these Conditions, the provisions of clause 1.2 (Interpretation) of the Convertible Note Deed are incorporated by reference as if set out in full in these Conditions.

2. Terms

Each Note may be:

- (a) converted into Underlying Securities under condition 7; or
 - (b) redeemed under condition 8.
-

3. Status of Notes

Save as stated in these Conditions, the Notes constitute a direct and unconditional obligation of the Company to repay the Outstanding Amount.

4. Coupon

4.1 Coupon – cash coupon

- (a) On each Coupon Payment Date, the Company must pay each Noteholder the coupon in arrears on each Note at the Cash Coupon Rate.
- (b) The coupon payable under condition 4.1(a):
 - (i) accrues daily on the Outstanding Amount of each Note from, and including, the first day of a Coupon Period to, but excluding, the last day of a Coupon Period;
 - (ii) is payable on each Coupon Payment Date; and
 - (iii) is calculated on the basis of the actual days elapsed and a 365 day year.

4.2 Coupon – capitalised coupon

- (a) In addition to the coupon payable under condition 4.1, the capitalised coupon will accrue on each Note at the Capitalised Coupon Rate.
 - (b) The capitalised coupon that accrues under this condition 4.2:
 - (i) accrues daily on the Outstanding Principal of each Note from and including the first day of a Coupon Period to but excluding the last day of a Coupon Period and will be capitalised at the end of the relevant Coupon Period and added to the Outstanding Amount of each Note; and
 - (ii) is calculated on the basis of the actual days elapsed and a 365 day year.
-

5. Status

Each Note and any accrued Outstanding Amount will rank:

- (a) *pari passu* as between other Noteholders and other Notes; and
- (b) immediately after any amounts owed by the Company to the Existing Financier under the Existing Facility.



6. Transfer and assignment

6.1 Transferability

Without the consent of the Company, a Note may be transferred by a Noteholder subject to providing 2 Business Days prior written notice to the Company.

6.2 Transfer

Subject always to condition 6.1, a Note may be lodged for transfer (with a common form of transfer duly executed) at the registered office of the Company, without service charge but on payment of any duties, taxes or other governmental charges, and the Company shall record the transfer in the Note Register.

6.3 Registration of transfer

Subject always to condition 6.1, the Company must record in the Note Register the transfer of a Note within five Business Days of the lodgement of the Note for transfer.

6.4 Note Register conclusive as to agency

Entry in the Note Register constitutes conclusive evidence of the person entered as the absolute owner of a Note subject to correction for fraud or error.

6.5 No joint holders

A Note may not be held by two or more persons jointly.

7. Conversion of Notes

7.1 Conversion - Noteholders' election

A Noteholder may at any time elect to convert its Notes into Underlying Securities at a conversion price calculated in accordance with condition 7.3. by written notice to the Company specifying the Conversion Date.

For the avoidance of doubt, notwithstanding the Company issuing a Redemption Notice in accordance with Condition 9.2, a Noteholder can elect to convert its Notes at any time prior to the Redemption Date.

7.2 Conversion – automatic conversion on Listing Date

If the Listing Date has occurred prior to the day on which the Notes are redeemed in accordance with condition 8 or 10.3 and the Listing Price is greater than or equal to A\$1.25 then each Note will automatically convert into Underlying Securities by reference to the Outstanding Amount of each Note based on the price calculated under condition 7.3 with the Conversion Date being the Listing Date.

7.3 Conversion price

If a conversion occurs under condition 7.1 or 7.2 each Notes (subject to any adjustments to the Outstanding Amount of each Note in accordance with clause 7.4) will convert into Underlying Securities on the basis that the price of each Underlying Security is equivalent to the lesser of:

- (a) ZAR 7.50; or



- (b) the ZAR price per Underlying Security in respect of any capital raising of the Company subsequent to 1 October 2018 (including any IPO on the ASX).

7.4 Adjustments to price of Underlying Securities

- (a) Subject to condition 7.4(b), if at the time of conversion under condition 7.1 or 7.2 the ZAR:AUD exchange rate has appreciated when compared to the Historical Exchange Rate so that the number of Underlying Securities to be issued in respect of each Note is less than the number that would have been issued had the ZAR:AUD exchange rate not appreciated, the price of each Underlying Security will be adjusted downwards commensurately to compensate the Noteholder for the exchange rate appreciation (ie to ensure that the Noteholder receives, as closely as possible, the number of Underlying Securities it would have received had the ZAR:AUD exchange rate not appreciated).
- (b) If the adjustment under condition 7.4(a) would result in the price of the Underlying Securities to be below ZAR 6.68 (**Floor Price**):
 - (i) the Noteholder can elect to immediately redeem some or all of its Notes in accordance with condition 9; and
 - (i) in respect of any Notes that the Noteholder does not elect to redeem, the Notes will convert to Underlying Securities at the Floor Price and subject to the other provisions of this Condition 7.
- (b) For the avoidance of doubt, the parties confirm that there will be no adjustment made to the price of the Underlying Securities if at the time of conversion under condition 7.1 or 7.2 the ZAR:AUD exchange rate has depreciated when compared to the Historical Exchange Rate.

7.5 Adjustments

If at any time before the Notes are converted condition 7 the Company consolidates, subdivides or in any other way reconstructs or reorganises its issued capital or there is a rights issue, bonus issue or other capital adjustment in relation to the Company, the Underlying Securities to be issued in accordance with this condition 7 will be adjusted, where relevant, in a manner which will not result in any additional benefits being conferred on or removed from either the Company or the Noteholders.

7.6 Company's obligations

- (a) In respect of any Note converted or to be converted in accordance with this condition 7, on the Conversion Date the Company must:
 - (i) issue to the Noteholder the number of Underlying Securities to be issued in consequence of the conversion as determined in accordance with condition 7.2 or 7.3 (and subject to any adjustments under condition 7.4);
 - (ii) cancel the Note; and
 - (iii) update the Note Register to record the conversion and the cancellation of the Note.
- (b) Once cancelled in accordance with condition 7.6(a)(ii):
 - (i) a Note cannot be reinstated; and

- (ii) the Company will be released from any obligations and liabilities in connection with the Note.

7.7 Underlying Securities to rank pari passu

All Underlying Securities to be issued in consequence of the conversion of the Notes will, on and from the date upon which they are issued, rank pari passu in all respects with all other Underlying Securities then on issue.

8. Extension of Maturity Date

If the Listing Date occurs and at that time the Listing Price is less than A\$1.25, the Maturity Date will automatically be extended by 24 months from the Listing Date.

9. Redemption of Notes

9.1 Automatic redemption on maturity

Subject to condition 7 and condition 9.2, on the relevant Maturity Date for each Note, the Company must:

- (a) pay the Outstanding Amount plus all accrued but unpaid coupon in relation to each Note to each Noteholder; and
- (b) redeem the Notes and remove the entry of the relevant Notes from the Note Register.

9.2 Early redemption

The Company can, by giving no less than 90 days' prior written notice to the Noteholders, redeem the Notes in full before the Maturity Date by:

- (a) paying the Outstanding Amount plus all accrued but unpaid coupon in respect of each Note to the relevant Noteholders; and
- (b) redeeming each Note and removing the entry of each Note from the Note Register.

10. Events of Default

10.1 Events of Default

It is an Event of Default if any one or more of the following events or circumstances occurs (whether or not within an Obligor's control):

- (a) **(non-payment)** an Obligor fails to pay an amount that is due and owing in respect of a Note when such amount is due (or, if such failure is solely due to an administrative or systems error arising in the transmission of funds, within 2 Business Days after the due date);
- (b) **(non-compliance)** an Obligor fails to comply with its obligations under a Note Document;
- (c) **(Insolvency Event)** an Insolvency Event occurs in relation to an Obligor (other than as part of a solvent restructuring);
- (d) **(cross default)** any "Event of Default" (as defined in the Existing Facility) occurring under the Existing Facility;



- (e) **(disposal)** sale or disposal of the whole or substantially the whole of an Obligor's business, assets or property without the prior written approval of the more than 50% of the non-executive directors of the Company;
- (f) **(change in Control)** the Company:
 - (i) ceases to be listed on the JSE AltX; or
 - (ii) the Company's shares are suspended from trading on the JSE AltX,
 and Control of an Obligor is altered from that subsisting at the date of the Convertible Note Deed without the Noteholders' prior written consent; or
- (g) **(key personnel)** if either Stefano Marani or Nick Mitchell cease to be employees of the Company;

10.2 Period to remedy an Event of Default

If an Event of Default occurs that is capable of remedy, the Company has a period of 30 calendar days from the commencement of the Event of Default to remedy the Event of Default to the satisfaction of the Noteholders. For the purposes of this condition 10.2, an Event of Default does not include an Insolvency Event.

10.3 Effect of an Event of Default

Subject to condition 10.2, on and at any time after the occurrence of an Event of Default, a Noteholder may by notice to the Company do one or more of the following:

- (a) while the Guaranteed Moneys remain outstanding and the Notes have not been converted, appoint a director selected by a Noteholder Special Decision to the board of the Guarantor;
- (b) elect to redeem some or all of the Noteholder's Notes and require that the Outstanding Amount under those Notes be immediately due and payable, in which case the Company must immediately pay the Guaranteed Moneys in respect of those Notes to that Noteholder; or
- (c) elect to convert some or all of the Noteholder's Notes, in which case that Noteholder will be issued with Underlying Securities in respect of those Notes in accordance with condition 7 and the Company must comply with its obligations under condition 7.

11. Consents

- (a) The parties acknowledge that:
 - (i) the Company must not permit the conversion of a Note; and
 - (ii) the Noteholder must not demand the conversion of a Note,
 where, without first obtaining the approval of the Shareholders (if applicable), to do so would be a breach of any applicable Laws.
- (b) The Company must do all things, including sending all notices and convening all meetings, necessary to obtain the requisite approvals for the conversion of a Note.
- (c) The Noteholder must do all things, including by delivering all documents and other information, reasonably requested by the Company, for the purposes of satisfying any

laws applicable to the conversion of a Note, or assisting the Company to comply with its obligations under condition 11(b).

12. Noteholder's rights and obligations

12.1 Information about the Obligors

Subject to compliance with all Laws including requirements of the JSE AltX and (if relevant) the ASX, the Company must provide the Noteholders with:

- (a) copies of all information, reports and notifications that are reasonably requested by the Noteholder, provided that such information, reports and notifications does not trigger any insider trading provisions of the laws of Australia or the Republic of South Africa; and
- (b) copies of the Financial Statements by 31 May for the previous Financial Year.

12.2 Restructuring

The Company must not restructure its corporate group, including by way of a sale into another corporate structure, without prior approval by a Noteholder Special Decision.

12.3 Sale of business or assets

Without prior approval by a Noteholder Special Decision, the Company must not sell or agree to sell:

- (a) all or any material part of an Obligor's business; or
- (b) any material asset of an Obligor outside of the ordinary course of business.

12.4 Sale of Underlying Securities

Without prior approval by a Noteholder Special Decision, the Company must not sell or agree to sell, either legally or beneficially, any of the Underlying Securities.

12.5 Other rights

- (a) The Company will not issue any securities or grant any security interest that will rank ahead of the Notes, except where:
 - (i) the security interest is a Permitted Security Interest; or
 - (ii) the security interest is required or created by Law and the Company ensures that prior to the creation of that security interest, the holder of that security interest enters into a deed of priority with the Noteholders and the Existing Financier in form and substance satisfactory to the Noteholders and the Existing Financier.
- (b) The Company will not pay any dividend or make any other distribution of income or capital at any time prior to:
 - (i) the conversion of the note in accordance with condition 7; or
 - (ii) the redemption of the Notes in accordance with condition 8 or 10,

except where:

- (iii) the payment of that dividend or distribution has been approved by a Noteholder Special Decision.
- (c) The Noteholder does not have the right to participate in any issue of rights, Underlying Securities, or any other securities in the Company by virtue of holding a Note.
- (d) The Noteholder does not have a right to participate in a return of capital, dividends or any distribution by the Company to the Shareholders by virtue of holding a Note.

12.6 Appointment of auditor

The Company must appoint an auditor by no later than 30 June 2018 and must at all times maintain the appointment of an auditor from that date.

13. Voting and other rights

13.1 Shareholder rights

Until conversion of a Note occurs, that Note does not give the Noteholder voting, dividend or any related rights conferred on Shareholders.

13.2 Noteholder Special Decisions

- (a) Subject to condition 13.2(b) and 13.2(c) below, all decisions required to be made by Noteholders must be made at a meeting of Noteholders.
- (b) If a Noteholder Special Decision is approved in writing by the requisite number of Noteholders prior to a meeting, no notice of meeting will be required and no meeting will need to be convened.
- (c) If all Notes issued by the Company are held by the Initial Noteholder at the time of the decision to be made by the Noteholders, no meeting or notice of meeting of Noteholders will be required and the decision will be made by the Initial Noteholder.

14. Registration and transfer

14.1 Registration

The Company must keep at its registered office the Note Register which contains:

- (a) the name and address of each Noteholder;
- (b) the particulars of the Notes; and
- (c) the particulars of all transfers of the Notes.

15. Payments

15.1 Payments by Company

All payments to be made by the Company in relation to the Notes will be made in Australian Dollars in immediately available funds.

15.2 Gross payments

The Company must:

- (a) pay amounts which are payable by it under a Note unconditionally and in full without set-off or counter claim; and
- (b) without reducing any amount payable to the Noteholders, pay any securities transaction tax, registration fees, legal fees and duty applicable to the issue of the Notes and the issue of Underlying Securities upon Conversion.

16. Notices

16.1 All notices in connection with the Notes must be:

- (a) in legible writing, in English and signed by or on behalf of the person giving it; and
- (b) addressed, marked to the attention of the person specified and sent to the receiving party at the address or email set out in the Subscription Request (in respect of a Noteholder) or otherwise as notified by that party from time to time.

16.2 A notice will be considered to have been received:

- (a) if sent to the address, three Business Days after posting (or seven Business Days after posting if sent from one country to another); or
- (b) if sent by email, four hours after the time sent (as recorded on the device from which the sender sent the email), unless the sender receives an email in response specifying that the email did not reach the intended receiving party or the receiving party is out of the office,

but if a notice is delivered to the address, or is received by the receiving party's email, on a day that is not a Business Day, or after 5:00pm (local time) on a Business Day, the notice will be considered to have been received by the receiving party at 9.00 am on the next Business Day.

17. Confidentiality

17.1 Obligations of confidence

The Receiving Party must:

- (a) maintain the confidential nature of the Confidential Information;
- (b) only disclose Confidential Information;
 - (i) to an Authorised Person where the Authorised Person has a need to know and after the Receiving Party has made the Authorised Person fully aware of the confidential nature of the Confidential Information;
 - (ii) with the prior written consent of the Disclosing Party; or
 - (iii) as required by law, provided that the Receiving Party must give the Disclosing Party reasonable prior notice of the proposed disclosure;
- (c) not use the Confidential Information for the Receiving Party's own or another's advantage, or to the competitive disadvantage of the Disclosing Party; and

- (d) not copy or duplicate or allow the copying or duplication of any Confidential Information.

17.2 Security and control

The Receiving Party must:

- (a) take all reasonable proper and effective precautions to maintain the confidential nature of the Confidential Information; and
- (b) immediately notify the Disclosing Party of any potential, suspected or actual unauthorised access, disclosure, copying or use or breach of this condition 17.

17.3 Return and destruction

If requested to do so by the Disclosing Party, the Receiving Party must immediately cease all use of the Confidential Information and must, at its own expense:

- (a) return to the Disclosing Party or destroy, as the Disclosing Party directs, all Confidential Information (including all documents and other materials constituting Confidential Information), whether prepared by the Receiving Party or for the Receiving Party as is in the possession, power or control of the Receiving Party or the Receiving Party's Authorised Persons; and
- (b) provide to the Disclosing Party a statutory declaration duly executed by the Receiving Party confirming that the Receiving Party has complied with all of its obligations under this condition 17.

17.4 No release

Return of Confidential Information or destruction of all documents and other materials constituting Confidential Information does not release the Receiving Party from its obligations of confidence under this condition 17.

18. Termination

- (a) The parties agree that this deed shall terminate upon conversion or redemption of all Notes in accordance with conditions 7 and 8.
- (b) If this deed is terminated, then in addition to any other rights or remedies provided by law:
 - (i) each party is released from its obligations under this agreement, other than in relation to condition 17 and 18;
 - (ii) each party retains any rights, entitlements or remedies it has accrued before termination, unless the terms of this deed state otherwise;
 - (iii) each party must cease and ensure its Authorised Persons cease using all documents and other materials constituting Confidential Information that is in its possession, power or control that contain Information, including Confidential Information, about that other party and at the other party's option:
 - (A) return;
 - (B) destroy and certify in writing to the other party the destruction of; or



- (C) destroy and permit a representative of the other party to witness the destruction of,

all documents and other materials constituting Confidential Information.

19. Governing law and jurisdiction

- (a) The Notes are governed by the laws of New South Wales in Australia.
- (b) The Company irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of New South Wales and the Commonwealth of Australia.

20. Duties and taxes

- (a) The Company must bear any stamp duty payable upon or in connection with the issue, conversion or redemption of any Notes.
- (b) Each Noteholder must bear any duties or taxes which may become payable in connection with the transfer or any other dealing by the Noteholder with its Notes.



Schedule 2 – Note Register

Noteholder	Noteholder Address	Total Face Value
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Schedule 3 – Terms of Guarantee and Indemnity

1. Definitions

1.1 Definitions

Capitalised terms in this schedule have the meaning set out in the Convertible Note Deed.

2. Guarantee and indemnity

2.1 Guarantee

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Noteholder the payment of all Guaranteed Moneys in accordance with the Note Documents; and
- (b) undertakes with each Noteholder that, whenever the Company does not pay any Guaranteed Moneys in accordance with the Note Documents, the Guarantor will immediately on demand pay those Guaranteed Moneys as if it was the principal obligor.

2.2 Indemnity

The Guarantor irrevocably and unconditionally agrees that it will, as an independent and primary obligation, indemnify each Noteholder against, and must pay to each Noteholder on demand amounts equal to, any Loss sustained by the Noteholder as a result of or in connection with:

- (a) the Company's liabilities or obligations in respect of, or transactions relating to, the Guaranteed Moneys being or becoming void, voidable, unenforceable, invalid, illegal, ineffective or otherwise ceasing to exist;
- (b) any of the Guaranteed Moneys (or money that would have been Guaranteed Moneys if it were recoverable) not being recoverable by the Noteholder from the Guarantor under clause 2.1 of this Guarantee and Indemnity; or
- (c) the Company failing, or being unable, to pay any Guaranteed Moneys or to perform any of its other obligations in accordance with the Note Documents,

in each case, for any reason and whether or not the Noteholder knew or ought to have known anything about those matters.

2.3 Continuing obligations

This Guarantee and Indemnity:

- (a) extends to the ultimate balance of the Guaranteed Moneys as varied from time to time, including as a result of:
 - (i) the creation or designation of any new Note Document after the date of this deed;
 - (ii) any amendment to, or any waiver of a requirement under, any Note Document; or
 - (iii) the provision of new or further financial accommodation to the Company,



and whether or not with the consent of, or notice to, the Guarantor;

- (b) is not wholly or partially discharged by the payment of any Guaranteed Moneys, the waiver by the Noteholder of a condition precedent under the relevant Subscription Agreement, the settlement of any account or anything else; and
- (c) continues until, subject to clause 9.1 of the Convertible Note Deed, all of the Guaranteed Moneys that may be or become payable have been irrevocably paid in full.

2.4 Immediate recourse

The Guarantor waives any right it may have to require a Noteholder to proceed against, or enforce any other rights or claim payment from, any other person before claiming from the Guarantor under this Guarantee and Indemnity. This waiver applies irrespective of any Law or any provision of a Note Document to the contrary.

2.5 Guarantor's liability not affected

The obligations of the Guarantor under this Guarantee and Indemnity will not be affected by any act, omission, matter or thing which, but for this clause 2.5, would or might reduce, release, discharge or prejudicially affect any of them or in any way relieve the Guarantor from any obligation under this Guarantee and Indemnity, including:

- (a) the grant to any person of any time, waiver or other indulgence or the discharge or release of any person;
- (b) any transaction or arrangement that may take place between the Noteholder and any person;
- (c) the Liquidation of any person or the receipt by the Noteholder of any dividend, distribution or other payment in respect of the Liquidation of any person;
- (d) the Noteholder becoming a party to or bound by any compromise, moratorium, assignment of property, scheme of arrangement, composition of debts or scheme of reconstruction by or relating to any person;
- (e) the Noteholder exercising or delaying or refraining from exercising any Power or any right, power or remedy conferred on it by any other document or agreement with any person;
- (f) the amendment, variation, novation, replacement, rescission, invalidity, extinguishment, repudiation, avoidance, unenforceability, frustration, failure, expiry, termination, loss, release, discharge, abandonment, assignment or transfer, in whole or in part and with or without consideration, of any Power or any Security or any Note Document or any other document or agreement held by the Noteholder at any time;
- (g) any increase in the Guaranteed Moneys for any reason (including as a result of anything referred to in this clause 2.5);
- (h) the taking or perfection of or failure to take or perfect any security or any other document or agreement, or any security or other document or agreement not being executed by, or binding on, any person or the Noteholder or any other person dealing or not dealing with any security or any other document or agreement;
- (i) the failure by the Noteholder or any other person to notify the Guarantor of any default by any person under any Note Document or any other document or agreement with the Noteholder;

- (j) the Noteholder obtaining a judgment against any person for the payment of any Guaranteed Moneys;
- (k) any legal limitation, disability or incapacity relating to any person or any change in circumstance (including any change in the members or constitution) of any person;
- (l) any set-off, combination of accounts or counterclaim; or
- (m) any other act, omission, matter or thing whatsoever, whether negligent or not.

This clause 2.5 applies irrespective of the consent or knowledge, or lack of consent or knowledge, of the Noteholder, the Guarantor or any other person of any event described in this clause 2.5 and irrespective of any Law to the contrary. References in this clause 2.5 to "any person" include an Obligor or any other person.

2.6 Proving for claims in a Liquidation

- (a) Each Guarantor irrevocably authorises the Noteholders and each of its Authorised Representatives to prove in the Liquidation of any Obligor for all money that the Guarantor can claim against it on any account. The Noteholders need only account to the Guarantor for dividends received in excess of the Guaranteed Moneys, without interest.
- (b) The receipt of any distribution, dividend or other payment by a Noteholder out of or relating to the Liquidation of any Obligor will not prejudice the right of the Noteholder to recover the Guaranteed Moneys by enforcement of this Guarantee and Indemnity.
- (c) If required by the Noteholders, a Guarantor must prove in any Liquidation of an Obligor for all moneys owed by the Obligor or a person to the Guarantor.

2.7 Deferral of Guarantor's rights

Until all of the Guaranteed Moneys that may be or become payable have been irrevocably paid in full and unless the Noteholders otherwise direct (in which case the Guarantor must comply with the direction), a Guarantor may not exercise any rights which it may have by reason of the performance by it of any of its obligations under the Note Documents or by reason of any amount being payable, or liability arising, under this Guarantee and Indemnity:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution or indemnity from any other guarantor of an Obligor's obligations under the Note Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any Powers;
- (d) to bring legal or other proceedings for an order requiring an Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given this Guarantee and Indemnity;
- (e) to claim or exercise any right of set-off or combination of accounts against an Obligor;
- (f) to claim or exercise any right of counterclaim or raise any defence against an Obligor or which another Obligor may have against the Noteholder;
- (g) to claim or prove as a creditor of an Obligor in competition with the Noteholder; and/or

- (h) in any form of proceeding for which an External Administrator is appointed in respect of an Obligor, to prove for or claim, or exercise any voting or other rights in respect of, any indebtedness of any nature owed to it by that Obligor or person.

2.8 Benefits to be held on trust

Notwithstanding the terms of clause 2.7 Schedule 32.7, if the Guarantor receives any benefit, payment, guarantee, security or distribution, or exercises any right of set-off, in relation to any rights referred to in that clause, it must hold that benefit, payment, guarantee, security or distribution or an amount equal to the set-off (as applicable) on trust for the Noteholders to the extent necessary to enable all of the Guaranteed Moneys to be paid in full and must immediately pay or transfer the same to the Noteholders or as the Noteholders may direct.

2.9 Appropriations

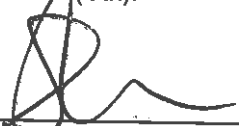
Until all the Guaranteed Moneys that may be or become payable have been irrevocably paid in full, the Noteholders (or any trustee or agent on behalf of the Noteholders) may:

- (a) credit to a suspense account any money received in respect of the Guaranteed Moneys (including any dividend in a Liquidation or any amount received under or on account of this Guarantee and Indemnity) and retain that money (without applying it) for as long as, and at whatever interest rate, the Noteholders think fit; and
- (b) prove in any Liquidation of an Obligor or any other person in respect of the full amount of the Guaranteed Moneys disregarding any money in the suspense account.



Signing page

Signed, sealed and delivered by
Renergen Limited ABN 93 998 352 675
and **Registered Number 2014/195093/06**
pursuant to Section 127 of the *Corporations*
Act 2001 (Cth):



Signature of Director

STEPHAN MARANI
Name of Director (print)

SEAL NO SEAL



Signature of Director/Secretary

NICHOLAS MITCHELL
Name of Director/Secretary (print)

Signed, sealed and delivered by
Tetra4 Proprietary Limited Registered
Number 2005/012157/07 pursuant to
Section 127 of the *Corporations Act 2001*
(Cth):



Signature of Director

STEPHAN MARANI
Name of Director (print)

SEAL NO SEAL



Signature of Director/Secretary

NICHOLAS MITCHELL
Name of Director/Secretary (print)

Subscription Agreement – Tranche A Notes

Renergen Limited (ABN 93 998 352 675)

Incorporated in the Republic of South Africa (registration number 2014/195093/06)

and

Tetra4 Proprietary Limited

Incorporated in the Republic of South Africa (registration number 2005/012157/07)

and

Gleneagle Securities Nominees Pty Ltd

ACN 150 259 877

Execution version



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Date: 2018

Parties

Company	Name	Renergen Limited
	ABN	93 998 352 675
	Registration number	2014/195093/06
	Address	1 st Floor, 1 Bompas Road, Dunkeld, Gauteng, 2196
	Email	stefano@renergen.co.za
	Attention	Stefano Marani
Guarantor	Name	Tetra4 Proprietary Limited
	Registration number	2005/012157/07
	Address	1 st Floor, 1 Bompas Road, Dunkeld, Gauteng, 2196
	Email	stefano@renergen.co.za
	Attention	Stefano Marani
Initial Noteholder	Name	Gleneagle Securities Nominees Pty Ltd
	ACN	150 259 877
	Address	Level 27, 25 Bligh Street, Sydney, NSW 2000
	Email	nithan.thiru@gleneagle.com.au
	Attention	Nithan Thiru

Background

The Initial Noteholder wishes to subscribe for, and the Company wishes to issue, the Tranche A Notes for the Subscription Moneys, on the terms set out in this agreement and the Conditions.

Operative provisions

1. Definitions

In this agreement:

Approved Purpose means the funding of the capital expenditure of commitments for the expansion of the 'Virginia Gas Project', being the project to:

- (a) connect 13 gas wells to a new pipeline; and
- (b) construct a new helium and liquified gas plant;

Authorised Officer means the persons named in Schedule 2 as a party's 'Authorised Officers' or any other person which is nominated by a party to this agreement (by any two current Authorised Officers) from time to time to be its 'Authorised Officers' in connection with this agreement;

Business Day means a day other than a Saturday, Sunday, bank holiday or public holiday in Sydney, New South Wales, Australia;

Conditions means the Convertible Note Deed, the terms and Conditions, and any schedule or annexure to those documents;

Convertible Note Deed means the 'Convertible Note Deed' signed by the Obligors dated on or about the date of this agreement;

Corporations Act means the *Corporations Act 2001* (Cth);

Event of Default means an 'Event of Default' within the meaning of the Conditions;

Existing Facility means the ZAR 218 million loan facility from the Existing Financier to the Company for the construction of infrastructure relating to the 'Virginia Gas Project';

Existing Financier means the Industrial Development Corporation of South Africa;

Face Value means A\$1,000.00 per Tranche A Note;

Guarantee and Indemnity means the guarantee and indemnity to be provided by the Guarantor pursuant to the Conditions;

Guaranteed Moneys has the meaning given in the Convertible Note Deed;

JSE Listing Requirements means the "JSE Limited Listing Requirements" which set out the listing requirements of the Johannesburg Stock Exchange pursuant to the provisions of the Financial Markets Act (Act 19 of 2012) as amended or replaced from time to time;

Know Your Client Procedures mean the 'know your customer' identification checks and procedures which financial institutions undertake to identify their customers in order to comply with any applicable laws or government requirements and to manage anti-money laundering, counter-terrorism financing or economic and trade sanctions risk;

Noteholders has the meaning given in the Convertible Note Deed;

Obligors means the Company and the Guarantor;

Representation and Warranty means each representation and warranty to be given by the Company and the Guarantor under or in relation to the Conditions;

SARB means the South African Reserve Bank;

Subscription Date means the date falling 2 weeks of the date of this agreement or such other date as may be agreed by the parties;

Subscription Moneys means the sum payable by the Initial Noteholder for the Tranche A Notes which is calculated by multiplying the number of Tranche A Notes by the Face Value;

Subscription Request means the form of request in Schedule 1;

Terms and Conditions means the 'Terms and Conditions' at Schedule 1 of the Convertible Note Deed;

Total Commitment means up to A\$10,000,000 which includes the Tranche A Commitment and a commitment to issue up to a further \$9,500,000 of convertible notes in a later tranche;

Tranche A Commitment means up to 500 Tranche A Notes with a total Face Value not exceeding A\$500,000; and

Tranche A Notes means the first tranche of convertible notes to be issued by the Company pursuant to this agreement and on the Conditions.

2. Interpretation

2.1 General interpretation

- (a) In this agreement, unless context indicates a contrary intention:
- (i) **(documents)** a reference to this agreement or another document includes any document which varies, supplements, replaces, assigns or novates this agreement or that other document;
 - (ii) **(person)** a reference to a person includes a natural person, corporation, statutory corporation, partnership and any other organisation or legal entity and their personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns;
 - (iii) **(party)** a reference to a party to a document includes that party's personal representatives, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns.
 - (iv) **(corresponding meanings)** a word that is derived from a defined word has a corresponding meaning.
 - (v) **(singular)** the singular includes the plural and vice-versa.
 - (vi) **(gender)** words importing one gender include all other genders.
 - (vii) **(legislation)** a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it.
 - (viii) **(time and date)** a reference to a time or date in connection with the performance of an obligation by a party is a reference to the time and date in Sydney, Australia, even if the obligation is to be performed elsewhere.
 - (ix) **(writing)** a reference to a notice, consent, request, approval or other communication under this agreement or an agreement between the parties means a written notice, request, consent, approval or agreement.
 - (x) **(replacement bodies)** a reference to a body (including an institute, association or Authority) which ceases to exist or whose powers or functions are transferred to another body is a reference to the body which replaces it or which substantially succeeds to its power or functions;
 - (xi) **(Australian currency)** a reference to dollars or \$ is to Australian currency.
 - (xii) **(month)** a reference to a month is a reference to a calendar month; and
 - (xiii) **(year)** a reference to a year is a reference to twelve consecutive calendar months.
- (b) In this agreement:
- (i) **(headings)** clause headings and the table of contents are inserted for convenience only and do not affect interpretation of this agreement.
 - (ii) **(including)** including and includes (and any other similar expressions) are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind.



- (iii) **(rules of construction)** neither this agreement nor any part of it is to be construed against a party on the basis that the party or its lawyers were responsible for its drafting.

3. Subscription and purpose

3.1 Subscription

- (a) Subject to the terms of this agreement, the Initial Noteholder agrees to subscribe for Tranche A Notes up to the Tranche A Commitment on the Tranche A Subscription Date.
- (b) The Tranche A Notes:
 - (i) will each have a face value equal to the Face Value; and
 - (ii) are subject to the provisions of this agreement and the Conditions.
- (c) In consideration for the Initial Noteholder agreeing to subscribe for the Tranche A Notes and paying the Subscription Moneys, the Guarantor agrees to provide the Guarantee and Indemnity.

3.2 Purpose

The proceeds of the Subscription Moneys may only be used by the Company for the Approved Purpose.

4. Conditions precedent

4.1 Initial conditions precedent

The obligation of the Initial Noteholder to subscribe for the Tranche A Notes and pay the Subscription Moneys is subject to the Initial Noteholder being satisfied that the following has been fulfilled on or before the Subscription Date:

- (a) **(commitments)** the Initial Noteholder has entered into the documents necessary to reflect the underlying investor commitments in relation to the Initial Noteholder's subscription for the Tranche A Notes;
- (b) **(Board approval)** the Company has provided the Initial Noteholder with sufficient evidence of the Board approving the issue of the Tranche A Notes to the Initial Noteholder for up to the Total Commitment;
- (c) **(SARB approval)** the Company has provided the Initial Noteholder with sufficient evidence that it has obtained the approval of the Financial Surveillance Department of the SARB to the transactions and arrangements contemplated by this agreement, the Tranche A Notes and the Conditions;
- (d) **(JSE Listing Requirements)** the Company providing evidence that it has complied with all application sections of the JSE Listing Requirements (including as set out in paragraphs 5.51 and 5.3 of the JSE Listing Requirements) in respect of the issue of the Convertible Note Deed and the transactions contemplated by the Convertible Note Deed;
- (e) **(Ordinary Resolution passed)** the Company providing evidence that Ordinary Resolution No. 4 was passed at the last annual general meeting; and

- (f) **(Existing Facility)** the Company has provided the Initial Noteholder with sufficient evidence that the transactions and arrangements contemplated by this agreement are permissible and will not breach or require any other action on the part of the Company under the Existing Facility.

4.2 Further conditions precedent

Subject to clause 4.1, the Initial Noteholder is only obliged to pay the Subscription Moneys under clause 5.5 if the following conditions are fulfilled to its satisfaction:

- (a) **(Convertible Note Deed)** the Company and Guarantor have entered into the Convertible Note Deed and an executed copy has been provided to the Initial Noteholder;
- (b) **(Subscription Request)** the Company has delivered to the Initial Noteholder a Subscription Request for Tranche A Notes which complies with clause 5;
- (c) **(no Event of Default)** on the date of the relevant Subscription Request and on the requested Subscription Date no Event of Default is subsisting or would result from the issue of the Tranche A Notes;
- (d) **(representations)** each Representation and Warranty made by an Obligor is true and correct and not misleading with reference to the facts and circumstances then existing, on the date of the relevant Subscription Request and on the Subscription Date;
- (e) **(fees)** all fees and expenses due and payable by an Obligor under this agreement or the Conditions have been paid or will be paid on or before the relevant Subscription Date; and
- (f) **(know your client)** all relevant Know Your Client Procedures have been or will be completed.

4.3 Waiver of conditions precedent

Each condition precedent in this clause 4 is for the Initial Noteholder's sole benefit and may only be waived by a notice from the Initial Noteholder to the Company.

5. Subscription Request

5.1 Notice

Upon the satisfaction of the conditions precedent applicable to the Tranche A Note under clause 4, the Company may request that the Initial Noteholder subscribe for the Tranche A Notes by giving the Initial Noteholder a Subscription Request.

5.2 Limitations on delivery of Subscription Request

- (a) The Company must not deliver a Subscription Request which would breach this agreement or the Conditions.
- (b) The Company must not deliver a Subscription Request if, as a result, the number of Tranche A Notes to be subscribed for exceeds the Tranche A Commitment.
- (c) Only one Subscription Request may be delivered in respect of the Tranche A Notes.

5.3 Contents of Subscription Request

Each Subscription Request will be in the form of Schedule 1 and will specify:

- (a) the proposed Subscription Date (which must be a Business Day);
- (b) the number of Tranche A Notes to be subscribed for;
- (c) the Face Value of the Tranche A Notes to be subscribed for;
- (d) the Subscription Moneys to be paid; and
- (e) payment instructions.

5.4 Requirements of Subscription Request

The Subscription Request will be irrevocable and must be:

- (a) received by the Initial Noteholder 3 Business Days before the proposed Subscription Date (or at such other time as the Initial Noteholder may agree); and
- (b) signed by an Authorised Officer of the Company.

5.5 Subscription Moneys

The Initial Noteholder will on the relevant Subscription Date pay the Subscription Moneys in accordance with the provisions of the relevant Subscription Request.

5.6 Issue of Notes

- (a) The Company must establish and maintain a Note Register in which it records the details of the Tranche A Notes in accordance with the Conditions.
- (b) The Company issues a Tranche A Note for the purposes of this agreement by inscribing or entering the details of the Initial Noteholder in the Note Register. No note certificate will be issued by the Company to the Initial Noteholder to evidence a Tranche Note.
- (c) The Company undertakes to promptly provide the Initial Noteholder with a certified copy of the Note Register on receipt of a written request from the Initial Noteholder.

5.7 Details of the Tranche A Notes

Each of the Tranche A Notes is issued under, and shall have the benefit of, the Conditions. The details for each of the Tranche A Notes are those set out in the Subscription Request for those Tranche A Notes.

6. Initial Noteholder representation and warranty

By signing this agreement and by issuing a Subscription Request to the Company, the Initial Noteholder represents and warrants that it is a sophisticated and professional investor for the purposes of Chapter 6D of the Corporations Act.

7. Undertaking to grant security

7.1 Request for security – optional conversion or redemption

- (a) At any time prior to the Conversion of the Tranche A Notes, the Initial Noteholder can notify the Company in writing that it intends to exercise its right to require the Obligors to grant security in accordance with clause 7.2 (such written notice being the **Security Notice**).
- (b) If the Company receives a Security Notice, the Company can within a period of 5 Business Days elect to redeem the Tranche A Notes by written notice to the Initial Noteholder (**Redemption Notice**). If no Redemption Notice is received by the Initial Noteholder within 5 Business Days of the Company receiving the Security Notice, the Company must (and must procure that the Guarantor) grant security to the Noteholders in accordance with clause 7.2.
- (c) If the Initial Noteholder receives a Redemption Notice, the Initial Noteholder can within a period of 5 Business Days elect to convert the Tranche A Notes by written notice to the Company setting out the proposed date of the conversion (**Conversion Notice**). If no Conversion Notice is received by the Company within 5 Business Days of the Initial Noteholder receiving the Redemption Notice, the Company must either:
 - (i) redeem the Tranche A Notes in accordance with the provisions of condition 9 of the Conditions on the basis of a "Maturity Date" which falls on the following Business Day; or
 - (ii) grant, and procure that the Guarantor grants, security to the Noteholders in accordance with clause 7.2.
- (d) If the Company receives a Conversion Notice from the Initial Noteholder in accordance with clause 7.1(c), the Tranche A Notes will convert in accordance with condition 7 of the Conditions on the basis of a "Conversion Date" specified in the Conversion Notice.

7.2 Requirement to grant security

- (a) If the Company has an obligation to grant security in accordance with clause 7.1(b) or clause 7.1(c)(ii), the Initial Noteholder can instruct legal counsel of their choice to advise on and prepare reasonable and appropriate security documents in respect of all of the assets of the Obligors as security for the payment of the Guaranteed Moneys.
- (b) The cost and expenses of legal counsel instructed by the Initial Noteholder under clause 7.2(a) will be borne by the Company and the Company must reimburse the Initial Noteholder within 3 Business Days of demand for all such costs and expenses.
- (c) On instructions by the Initial Noteholder, Company must ensure that it and the Guarantor:
 - (i) enter into security documents prepared in accordance with clause 7.2(a);
 - (ii) use all reasonable endeavours to procure any necessary consents and authorisations to the Obligors entering into the security documents and granting the security; and
 - (iii) take any other steps (including signing any other documents) that in the opinion of the Initial Noteholder is required in order to better secure the



Guaranteed Moneys for the benefit of the Initial Noteholder and any other Noteholders.

7.3 Failure to comply

A failure by the Company to comply with this clause 7 will constitute an Event of Default for the purposes of the Tranche A Notes and the Conditions.

8. GST

8.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the GST Amount). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. If a tax invoice is not received prior to the provision of that other consideration, the GST Amount is payable within 10 days of the receipt of a tax invoice. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

8.2 Liability Net of GST

Where any indemnity, reimbursement or similar payment under this agreement is based on any cost, expense or other liability, it will be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

8.3 Adjustment Events

If an adjustment event occurs in relation to a supply made under or in connection with this agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

8.4 Survival

This clause will not merge upon the issue of the Notes and will continue to apply after expiration or termination of this agreement.

8.5 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST Law (as defined in the GST Act) have the same meaning in this clause.

9. General

9.1 Non-avoidance of payments

If any payment or transaction in connection with this agreement or the Secured Moneys is at any time claimed to be void, voidable or unenforceable for any reason, including any legal limitation, disability or incapacity of or affecting an Obligor or any other thing and whether or not:

- (a) any payment or transaction relating to the Secured Moneys was illegal, void or substantially avoided; or



- (b) anything was or ought to have been within the knowledge of the Initial Noteholder, and that claim is upheld, conceded or compromised, then each Obligor:
- (c) must, within 3 Business Days of demand by the Initial Noteholder, indemnify the Initial Noteholder against any Loss arising as a result of or in connection with the avoided payment or transaction;
- (d) acknowledges that any liability of that Obligor under the Finance Documents and any right, power, authority, discretion or remedy conferred on the Initial Noteholder is the same as if the avoided payment or transaction had not been made or occurred; and
- (e) on request from the Initial Noteholder, agrees to do anything (including signing any document) to restore to the Initial Noteholder any Finance Documents it held from the Obligor immediately before the avoided payment or transaction.

9.2 Notices

- (a) All notices in connection with this agreement must be:
 - (i) in legible writing, in English and signed by or on behalf of the person giving it; and
 - (ii) addressed, marked to the attention of the person specified and sent to the receiving party at the address or email set out in the Parties section of this Agreement or otherwise as notified by that party from time to time.
- (b) A notice will be considered to have been received:
 - (i) if sent to the address, three Business Days after posting (or seven Business Days after posting if sent from one country to another); or
 - (ii) if sent by email, four hours after the time sent (as recorded on the device from which the sender sent the email), unless the sender receives an email in response specifying that the email did not reach the intended receiving party or the receiving party is out of the office,

but if a notice is delivered to the address, or is received by the receiving party's email, on a day that is not a Business Day, or after 5:00pm (local time) on a Business Day, the notice will be considered to have been received by the receiving party at 9.00 am on the next Business Day.

9.3 Costs and expenses

The Company shall bear the costs and expenses of and incidental to the preparation, negotiation and execution of this agreement and the issue of the Notes.

9.4 Governing Law

- (a) The laws of New South Wales in Australia govern this agreement.
- (b) The Obligors irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of New South Wales or the courts of the Commonwealth of Australia.

9.5 Waiver

- (a) No waiver of a right or remedy under this agreement is effective unless it is in writing. A written waiver is only effective in the specific instance and for the specific purpose for which it is granted.

- (b) Failure to exercise or a delay in exercising a right or remedy under this agreement does not operate as a waiver.

9.6 Cumulative rights

Except as expressly provided for in this agreement, the rights of the Obligors or the Noteholders under or pursuant to this agreement are in addition to and do not exclude or limit any other rights or remedies provided by Law.

9.7 Severability

Any term of this agreement which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this agreement is not affected.

9.8 Further Assurances

Except as expressly provided in this agreement, each Obligor will, at its own expense, do all things reasonably necessary (including executing documents) to give full effect to this agreement and the matters contemplated by it.

9.9 Assignment

- (a) An Obligor may not assign, transfer or in any other manner deal with its rights under this agreement without approval of the Initial Noteholder.
- (b) The Initial Noteholder may at any time and from time to time assign or transfer its rights under this agreement if the assignment or transfer is permitted under the Conditions.
- (c) Any purported assignment, transfer or dealing in contravention of clause 9.9(a) or 9.9(b) is ineffective.

9.10 Counterparts

This agreement may consist of a number of signed counterparts. All counterparts together constitute one document.

EXECUTED as an agreement.



Schedule 1 – Subscription Request

[Letterhead of Renergen Limited]

To: Gleneagle Securities Nominees Pty Ltd ACN 150 259 877
From: Renegeren Limited ABN 93 998 352 675 (incorporated in the Republic of South Africa with registration number 2014/195093/06)
Date: [Insert]

SUBSCRIPTION REQUEST

Note Subscription Agreement between the Company and the Initial Noteholder dated [insert date] (Subscription Agreement)

Unless otherwise defined, expressions used in this notice have the meaning given to them in the Subscription Agreement.

This is a Subscription Request and is irrevocable.

We give you notice under clause [insert] of the Subscription Agreement that the Company requires the Initial Noteholder to subscribe for Tranche A Notes as follows:

Tranche	Tranche A Notes
Subscription Date:	[date]
Number of Notes	[500]
Face Value:	A\$1,000 per Note
Maturity:	18 months after payment of the Face Value of the Tranche A Notes
Subscription Moneys:	[insert] (Number of Notes x Face Value)
Payment Instructions:	[insert]

We confirm that:

- 1 each Representation and Warranty set out in the Conditions is true and correct on
the date of this Subscription Request and will be true and correct on the proposed
Subscription Date in each case with reference to the facts and circumstances
existing at that time; and
- 2 no Event of Default is subsisting or will result from the subscription for the Tranche
A Notes.

Yours faithfully

[Insert signature of Authorised Officer]

[Insert name of Authorised Officer]

For and on behalf of **Renergen Limited**

④

Schedule 2 – Authorised Officers

Company	Renergen Limited
Authorised Officer	[insert]
Authorised Officer	[insert]
Authorised Officer	[insert]



Signing pages

Company

Executed by **Reenergy Limited ABN 93 998 352 675** and **Registered Number 2014/195093/06** pursuant to Section 127 of the *Corporations Act 2001* (Cth):)
)
)
)



Signature of Director

STEFANO MARANI
Name of Director (print)

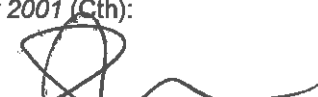


Signature of Director/Secretary

NICHOLAS MITCHELL
Name of Director/Secretary (print)

Guarantor

Executed by **Tetra4 Proprietary Limited**)
Registered Number 2005/012157/07)
pursuant to Section 127 of the *Corporations Act 2001* (Cth):)
)



Signature of Director

STEFANO MARANI
Name of Director (print)



Signature of Director/Secretary

NICHOLAS MITCHELL
Name of Director/Secretary (print)

Initial Noteholder

Executed by **Gleneagle Securities**)
Nominees Pty Ltd ACN 150 259 877)
pursuant to Section 127 of the *Corporations*)
Act 2001 (Cth):)



Signature of Director

Lance Rosenberg

Name of Director (print)

Signature of Director/Secretary

Name of Director/Secretary (print)

Private and Confidential

6 December 2018

Mr Mark Michalowsky

By email: mmichalo@bigpond.net.au

Dear Subscriber

Convertible Notes: Renergen Limited (the "Company")

1. INTRODUCTION

Gleneagle Securities Nominees Pty Limited (ACN 150 259 877) ("**Gleneagle**") (including if applicable its broker-dealer affiliates in the jurisdiction in which you receive this letter) is pleased to extend this offer to you (a "**Subscriber**") to subscribe for convertible notes in the Company (the "**Notes**") on the terms and conditions set out in this letter (the "**Offer**").

2. NOTES

The Transaction is for the purchase of Notes, on the terms set out in the Convertible Note Deed and the Subscription Agreement (enclosed) (the "**Transaction Documents**").

3. PARTICIPATION

Each subscription for Notes ("**Subscription**") entitles a Subscriber to, amongst other things, their pro-rata repayments from the Company as outlined in the Transaction Documents.

4. USE OF PROCEEDS

The Company intends to use the proceeds of the Subscriptions in accordance with the Transaction Documents.

5. SUBSCRIPTION OFFER

The Company intends to issue the following Notes. You may subscribe for any number of the Notes, subject to the terms and conditions set out in this letter.

	No. of Notes	Total Amount
Notes at A\$1,000 per Note	500	Up to A\$500,000

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved. Each prospective investor should consult his or her own legal, investment and/or tax advisor as to legal, investment or tax advice.

6. APPLICATION FORM

In order to accept the Offer, you must affirm your application for Notes by executing and delivering the Application Form (enclosed) which incorporates, by reference, the acknowledgements,

representations, warranties and agreements set out in this letter. You must execute such an Application Form in respect of the Notes allocated to you and you must complete the details requested in it.

You may not withdraw an Application Form after lodgement with Gleneagle.

To confirm the terms and conditions of the Offer and this letter, please sign and return a copy of the Application Form to Gleneagle (by email: corporate@gleneagle.com.au ATTN 'Renegen') by 4pm (Sydney time) on Thursday, 6 December 2018.

7. SETTLEMENT

Gleneagle will hold the Notes as Nominee and will deliver Holding Statements for the Notes to you or your custodian.

Gleneagle acknowledges that it will accept instructions from the Subscriber as to any transfer of legal title of the Notes. Gleneagle hereby agrees to hold the investment, as Nominee, until Expiry, or until otherwise transferred on instruction by the Subscriber.

Application monies must be remitted electronically and settled by the Settlement Date to the account set out in the Application Form.

8. OFFER PERSONAL

The Offer on the terms and conditions set out in this letter is personal to you and does not constitute an offer to any other person or to the public generally in Australia, the United States or anywhere else. You may not assign, transfer, or, in any other manner, deal with your rights or obligations under this letter without the prior written agreement of the Company and Gleneagle (such consent not to be unreasonably withheld or delayed).

Where you are accepting this offer on behalf of your clients, you must ensure that any such client performs its obligations herein and is a person to whom the Offer pursuant to this letter can lawfully be made under all applicable laws of the jurisdiction in which you are situated, without the need for any registration, lodgement or other formality.

9. REPRESENTATIONS, WARRANTIES AND AGREEMENT

By accepting this offer of Notes, you represent, warrant and agree for the benefit of the Company, Gleneagle, and their respective affiliates and each of their respective directors, officers, partners, employees, agents, representatives and advisers (collectively, "**Affiliates**") that:

- (a) you are a person to whom the Offer pursuant to this letter can lawfully be made under all applicable laws without the need for any registration, lodgement or other formality;
- (b) you are lawfully permitted to enter into the agreement constituted by acceptance of the Offer and to perform the obligations set out in this letter, in accordance with your constitution, the laws applicable in Australia and any other applicable laws;
- (c) you and each other person, if any, for whose account you are subscribing for Notes:
 - (i) is a "sophisticated investor" or a "professional investor" within the meaning of sections 708(8) and 708(11) of the Corporations Act; and
 - (ii) has:

- (A) the financial ability to bear the economic risk of the investment in the Notes;
 - (B) adequate means to provide for your or their current needs and other contingencies and to withstand the loss of the entire investment in the Notes;
 - (C) no need for liquidity with respect to the investment in the Notes; and
- (iii) will not seek to recover from Gleneagle or the Company all or part of any such loss that you may suffer;
- (d) you have such knowledge and experience in financial business matters that you are capable of evaluating the merits and risks of acquiring the Notes for yourselves and each other person, if any, for whose account you are acquiring any Notes and you have determined that the Notes are a suitable investment for yourselves and each other person, if any, for whose account you are acquiring any Notes both in the nature and number of the Notes being acquired;
 - (e) an investment in the Notes involves a high degree of risk and you have considered the risks associated with the Notes in deciding whether to purchase any Notes;
 - (f) you have had access to, and have received, all information that you believe is necessary or appropriate in connection with, and for an adequate time prior to, your acquisition of the Notes, so as to be able to make an informed investment decision with respect to an investment in the Notes;
 - (g) you have conducted your own independent investigation, and have made and relied upon your own assessment, of the Company, the Offer, the Notes and the merits of your investment in the Notes including, without limitation, the particular tax consequences of acquiring, owning or disposing of the Notes, in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction;
 - (h) this Offer does not constitute a securities recommendation or financial product advice and that the Company and Gleneagle have not had regard to your particular objectives, financial situation and needs;
 - (i) except to the extent that liability cannot by law be excluded, you acknowledge that none of Gleneagle, the Company, nor any of their respective Affiliates, accept any responsibility in relation to the Offer or the Notes. To the extent permitted by law, you agree to release Gleneagle, the Company and each of their respective Affiliates from all actions, claims, demands and proceedings ("**Claims**") which you may have, or Claims against any of them in connection with the Offer;
 - (j) you are not a related party (either as defined in section 228 of the *Corporations Act 2001* (Cth) ("**Corporations Act**") or "affiliate" (as defined in Rule 501(b) under the U.S. Securities Act) of the Company;
 - (k) you will indemnify the Company, Gleneagle and their respective Affiliates, against any loss, damage or costs incurred and arising out of or in relation to any breach by you of the acknowledgments, representations, warranties and agreements in this letter. For the purposes of this letter, the Company and Gleneagle each hold the benefit of this indemnity on trust for each of their respective Affiliates, and may enforce the rights of their respective Affiliates, under this agreement on behalf and for the benefit of those Affiliates;
 - (l) you will make full payment for the Notes allocated to you in accordance with the terms of this letter;

- (m) if you are acquiring any Notes for an account of one or more investors, you have the authority to acknowledge and make the acknowledgements, representations, warranties and agreements herein on behalf of each such investor and you will take reasonable steps to ensure that any such investor will comply with their obligations as you have agreed for them;
- (n) time is of the essence in respect of your acceptance of this offer and your obligations under this letter;
- (o) if you are a financial services licensee (as defined in the Corporations Act) that intends to allocate the Notes to persons prior to settlement, each person that receives an allocation of Notes is able to give the representations, warranties and undertakings in this agreement and that you have appropriate records to evidence this;
- (p) no prospectus or other disclosure document has been, nor will be prepared in connection with the Offer and as a consequence, the Notes may be subject to certain restrictions on transfer and resale and may not be transferred or resold except as permitted by the Corporations Act;
- (q) you will be, and agree to be, bound by the constitution of the Company;
- (r) any expenses incurred by you or your representatives in relation to your allocation will be to your own account; and
- (s) the Company and Gleneagle will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements.

Once you have completed the Application Form, if you fail to meet any obligation to apply (or procure applications) for the Notes by the time required by this letter, Gleneagle and/or the Company may require that you do so or may, without notice to you, themselves (or procure for a third party to) apply for those Notes. In addition to any other obligations under this letter you indemnify Gleneagle and the Company for any cost or loss associated with so doing (including loss incurred on the sale of the Notes within 6 months of application).

10. **GOVERNING LAW AND JURISDICTION**

This letter and its terms are governed by the laws of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales.

11. **CONFIDENTIALITY**

The information contained in this agreement and any information provided to you by Gleneagle is strictly confidential unless the information is public knowledge (but not because of an unauthorised disclosure by you or your officers or employees) or becomes available to you from a third party (other than the Company, Gleneagle or their representatives) or is required to be disclosed by law or regulation and not to disclose it to any other person, it being made available to you solely to consider this Offer. You further agree that you will not purchase or sell any securities of any type in the Company or procure another person to do so in breach of section 1043A of the Corporations Act (known as the insider trading provisions) or the JSE Listing Rules and South African Companies Act.

Notwithstanding anything to the contrary contained in this letter (including the preceding paragraph and the acknowledgements, representations, warranties, and agreements of investors accepting the offer of the Notes), each prospective investor (and each employee, representative and other agent of each prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this letter and all materials of any kind (including opinions or other tax analyses) that are provided to the prospective investor relating to such

tax treatment and tax structure. This authorisation of tax disclosure is retroactively effective to the commencement of discussions among the Company, Gleneagle or their respective representatives and prospective investors regarding the transactions contemplated in this letter.

12. **ENTIRE AGREEMENT**

Subject to this paragraph, the terms contained in this letter including, without limitation, your executed Application Form, constitute the entire agreement among the Company, Gleneagle and you as to the Offer and your participation in the Offer to the exclusion of all prior acknowledgements, representations, warranties and agreements among the Company, Gleneagle and you. Any variation of the terms of this letter must be in writing signed by each of the Company, Gleneagle and you.

13. **NOTICES**

Any notice to be given relating to the offer of Notes or this letter may be sent by: facsimile to the facsimile number; or email to the email address, of the party to whom the notice is sent and will be deemed to have been given upon the successful transmission to that facsimile number or successful delivery to that email address.

Yours sincerely,

Gleneagle Securities Nominees Pty Limited (ACN 150 259 877)

Application Form

Renergen Limited: Offer of Convertible Notes

Reply to: Gleneagle Securities Nominees Pty Ltd
Email: corporate@gleneagle.com.au
Attention: Renergen

Offer of participation in the Convertible Notes to be issued by Renergen Limited (the "Company")

We refer to the Offer from Gleneagle Securities Nominees Pty Ltd (ACN 150 259 877) (Gleneagle) regarding the Notes to be issued by the Company. We confirm our irrevocable agreement to subscribe for the following allocation on the terms and conditions of the Transaction Documents (and subject to finalisation of full form legal documentation for the Transaction):

Investor Principal Investment Amount:

A\$500,000

The undersigned hereby confirms (for the benefit of the Company, Gleneagle and their respective affiliates), the various acknowledgements, representations, warranties and agreements contained in the Offer Letter. Capitalised terms used herein and not otherwise defined have the meaning given to them in the Offer Letter.

REGISTRATION DETAILS

In order for Gleneagle to allocate your allocation, please complete the table below, detailing your Custodian(s) and your various allocation quantities (if applicable) and return to

Legal Entity – Registration Name

DEEMCO PTY LTD

Contact Name

MARIE MICHALOWSKY

Address

P.O. BOX 239 ROSE BAY 2029

Email

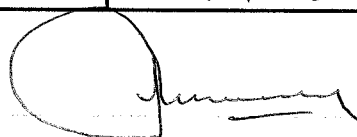
MMICHALO@BBPOND.NET.AU

Phone

+61 414 555111

AUTHORISED SIGNATORY

Signature



Date

11/12/18

Name / Title

DIRECTOR

GLENEAGLE BANKING COORDINATES

BSB: 032002 Account No.: 868491

Account Name: Gleneagle Securities (Aust) Pty Limited

Reference: RENERGEN

THIS FORM MUST BE SCANNED AND EMAILED TO corporate@gleneagle.com.au ATTN: 'RENERGEN'